

UNITED STATES OF AMERICA  
BEFORE THE NATIONAL LABOR RELATIONS BOARD  
DIVISION OF JUDGES

CONTRACTING SPECIALISTS, INC.

and

Case 30-CA-16779-1

NORTHERN WISCONSIN REGIONAL  
COUNCIL OF CARPENTERS

*Miann B. Navarra, Esq.*, for the General  
Counsel.  
*Patrick P. Gill, Esq. (Gill and Gill, S.C.)*, of  
Appleton, Wisconsin, for the Respondent.

DECISION

STATEMENT OF THE CASE

EARL E. SHAMWELL JR., Administrative Law Judge. This case was heard before me on January 18, 2005, in Milwaukee, Wisconsin, pursuant to a charge filed on March 30, 2004, by the Northern Wisconsin Regional Council of Carpenters (the Union) against Contracting Specialists, Inc. (the Respondent). An amended complaint was filed by the Union on May 11, 2004, against the Respondent. On June 24, 2004, the Acting Regional Director for Region 13 of the National Labor Relations Board (the Board) issued a complaint against the Respondent alleging that it violated Section 8(a)(1) of the National Labor Relations Act (the Act). On about June 29, 2004, the Respondent filed a responsive answer admitting some of the allegations of the complaint, but essentially denying the commission of any unfair labor practices; the Respondent also asserted certain affirmative defenses to the allegations.

At the hearing, the parties were represented by counsel and were afforded full opportunity to be heard, examine and cross-examine witnesses, and introduce evidence. On the entire record, including my observation of the demeanor of the witnesses, and after considering the briefs filed by the General Counsel and the Respondent, I make the following

Findings of Fact

I. Jurisdiction- The Business of the Respondent

The Respondent, a Wisconsin corporation with an office and place of business in Neenah, Wisconsin, has been engaged as a carpentry contractor in the renovation and construction industry. The Respondent admits that during the preceding 12 months, in conducting its business operations, it purchased goods valued in excess of \$50,000 directly from points located outside the State of Wisconsin. Accordingly, I would find and conclude that the Respondent is an employer engaged in commerce within the meaning of Section 2(2), (6), and (7) of the Act.

## II. The Labor Organization

It is admitted by the parties that the Union, Northern Wisconsin Regional Council of Carpenters, has been a labor organization within the meaning of Section 2(5) of the Act.

## III. The Alleged Unfair Labor Practices

### A. Background

The Respondent is a renovation contractor. During all times material to the instant litigation, the Respondent was under contract to renovate Atlas Mill, an old paper mill being converted into a museum and office building. The project began in approximately January 2004. The instant litigation centers on the Atlas Mill project.

The Atlas Mill project's general or prime contractor was the Respondent, Contracting Specialists, Inc.; its owner and president was Douglas Schmidt. Schmidt was responsible for the overall supervision of the project, including the hiring, firing, and laying off of employees.<sup>1</sup>

The Respondent employed around 12 employees at the Atlas Mill project during the peak periods of the project's existence. Each employee was assigned to a crew headed by a carpenter foreman who directed the work of the employees assigned to him.

The Atlas Mill project was shut down by the owners in March 2004 for financial reasons. Rather than attempting to support the project with his own funds, Schmidt suspended work until the owners could secure bank financing. In April 2004, financing was secured and all previously hired workers were called back to their original jobs. All of the prior employees returned except for the Respondent's field superintendent, Jim Ziegelbauer, who was eventually replaced in that capacity by Joe Koga.<sup>2</sup>

### B. The Complaint Allegations

The complaint alleges that on or about April 2, 2004, the Respondent, through Schmidt, violated Section 8(a)(1) of the Act by interrogating job applicants regarding their union activities and sympathies; and threatening its employees with loss of jobs because of their union activities and sympathies.

The complaint also alleges that the Respondent, through field superintendent Koga, on certain dates in April 2004, violated Section 8(a)(1) of the Act by interrogating job applicants and employees regarding their union activities and sympathies; threatening its employees with loss of jobs because of their union activities and sympathies; threatening employees with drug testing because of their union activities and sympathies; and impliedly promising a benefit to its employees if they ceased their union activities.

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<sup>1</sup> The Respondent admits that at all material times herein, Schmidt was a supervisor and/or agent within the meaning of Section 2(11) and 2(13) of the Act.

<sup>2</sup> The Respondent admits that at all material times, Koga was a supervisor and/or agent within the meaning of Section 2(11) and 2(13) of the Act.

### C. The Substantive Charges

#### 1. The alleged April 2, 2004 unlawful interrogation and implied promise of benefit to employees

5 The General Counsel called its sole witness, David Rescheske to establish this charge. Rescheske testified that around March 19, 2004, he received a letter<sup>3</sup> from Schmidt "talking bad" about the Union and asking that he vote no in the upcoming election.

10 Rescheske also said that on about April 1, 2004, he received a voice message from Schmidt stating that he was restarting the Atlas Mill project and inviting Rescheske to come back to work. On April 2, Rescheske said that he attended a meeting in Schmidt's downtown Neenah office. According to Rescheske, the first question Schmidt asked him was why he  
15 wanted to join the Union. Rescheske said that he responded, telling Schmidt that he believed it may help him now and in the future, mainly because of the Union's benefits and education package. According to Rescheske, Schmidt then apprised him of a "special" benefits package that could only be shown to workers who met Schmidt's determination of "merit."<sup>4</sup>

20 Douglas Schmidt was called by the Respondent to defend against these charges.

Schmidt stated that he became aware of union activity at his Company around the first part of March 2004 and immediately (within a week) secured counsel to represent and advise him regarding the dos and don'ts regarding the national labor laws.

25 Acknowledging that he met with Rescheske, Schmidt denied interrogating Rescheske during the April 2 meeting. Schmidt characterized the meeting as unscheduled because Rescheske failed to return his telephone call from the previous day. He testified that Rescheske himself brought up the conversation about the Union and then afterwards they both discussed the Union in an open dialogue.

30 Schmidt noted that previous to this meeting, he had been advised and instructed by his attorney regarding dealing with the union and related activities. Following those instructions, Schmidt stated that he never talked down about the Union and merely expressed his opinion, using no threats or condescending tone concerning union activity. Schmidt admitted that he  
35 opposed the union campaign and brought his attorneys to the jobsite to meet with various employees as part of that opposition. Schmidt also admitted that when he spoke to his employees about the union campaign, he talked up his Company and asked them for their support in opposing the Union.

40 Schmidt also called Rescheske's testimony about a separate benefits package simply a lie as well. Schmidt said that the Company's benefit package is explicitly stated in the company handbook which is signed by the worker<sup>5</sup> acknowledging that they have read and understand

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45 <sup>3</sup> G.C. Exh. 5.

<sup>4</sup> Rescheske did not indicate what comprised the special benefits and provided no elaboration on what merit meant to him.

<sup>5</sup> The Respondent adduced a copy of a document, denominated Contracting Specialists Acknowledgement of Receipt and Understanding Read and Sign Immediately. This document  
50 is signed by Rescheske on January 9, 2004, and, inter alia, states that the signer has read and understands the employee handbook, including employee benefits. R. Exh. 4.

the contents. Schmidt stated that there are no other benefit packages besides those outlined in the company handbook.

## 2. The alleged threat of job loss

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Rescheske testified that one of the last things Schmidt said to him in their April 2 meeting was that if he (Schmidt) were forced to negotiate with the Union, he would have to shut down the Company and have everything subcontracted out.

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Rescheske also pointed to a conversation involving Schmidt, himself, and two employees (Jim Ziegelbauer and Pete Pawlowski) around the first or second week of March 2004, in which Schmidt apprised them that he was shutting down the Atlas Mill project for a lack of funding.<sup>6</sup> After hearing this information, Rescheske said the employees inquired if they would be rehired when funding was secured. According to Rescheske, Schmidt replied no.<sup>7</sup>

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Schmidt acknowledged that ultimately, all three former employees were called to come back to their original jobs; however, Ziegelbauer declined the offer.

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While Schmidt did not acknowledge that he met with the three employees the first or second week of March, Schmidt admitted that the project, indeed, had been had been shut down due to a lack of funding. Most notably, Schmidt did not directly deal with Rescheske's allegation that on April 2, he threatened to shut down the Company and have everything subcontracted out. Schmidt basically denied threatening Rescheske in any manner on April 2. (Tr. 69.)<sup>8</sup>

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## 3. The alleged interrogation of employees about their union activities and the threat of job loss on April 5, 2000, by Koga

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Rescheske testified that he returned to work at the Atlas Mill on April 5. He testified that Koga interrogated him about his possible involvement with the Union on several occasions. Rescheske stated that their first conversation occurred on the morning break on April 5, 2004, after the Atlas Mill project had been restarted. According to Rescheske, Koga pulled him to the side and asked him to explain what he thought the benefits of union membership would be for him. After hearing his answer, according to Rescheske, Koga stated his opinions of the Union, noting how his (Koga's) previous experiences with a union were bad for him and opining that the Union did not help its employees. Rescheske claimed that in this conversation and in later exchanges, Koga used profane language and vulgarities about the Union. Rescheske said that

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<sup>6</sup> Rescheske said that the conversation took place in Schmidt's downtown office at a meeting that had been scheduled for about 3:30 p.m., the end of the workday. Rescheske said he and other employees had convened there on previous occasions for meetings.

<sup>7</sup> Rescheske also testified that one last question was asked (by someone) in the meeting to the effect that down the road, would there be a chance the employees might be rehired.

According to Rescheske, Schmidt said he was not sure. (Tr. 35.)

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<sup>8</sup> Schmidt was emphatic in his belief that Rescheske was being intentionally untruthful at the hearing because he had hired Ziegelbauer to take over the superintending of the Atlas Mill's job, which Rescheske took as a demotion; Schmidt said that Rescheske was very upset about this action. Schmidt also noted that he had to fire Rescheske on May 17, 2004, after repeated warnings from Koga for violating the no-smoking rules for the Atlas Mill's project and being insubordinate on various occasions during the period covering April 28 through May 14, 2004. (See R. Exh. 1 and 2.)

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he felt Koga's remarks created a hostile work environment for himself and the other union supporters, and made it very tough sometimes to work because of his badgering about the Union.

5 Rescheske testified that also during this same April 5, 2004 conversation, Koga said that he could see him (Rescheske) "spending a lot of time sitting on the bench," paying out of his own pocket for most of the benefits and education he expected from the Union. Rescheske said that he inferred Koga's comments to mean that he would not be working certain jobs because he was a union member and that he would not receive the union benefits because he would  
10 have to pay for them himself.

#### 4. The alleged April 7, 2004 threat to test employees for drugs

15 Rescheske stated that around the first week of April, he was told that two fellow employees (Steve and Rich) were going to be tested for drugs accompanied, by Schmidt on their lunch break. Rescheske noted on that same day he was introduced to a person who supposedly was Schmidt's attorney who, according to Rescheske, met with the two employees in the jobsite trailer.

20 While the employees and the attorney were in the trailer, Rescheske stated that Koga told him that he (Rescheske) would also be administered a drug test with the attorney present. Koga, according to Rescheske, said that he would be taking the drug test because it had to deal with the upcoming vote or election for the Union. (Tr. 42.)<sup>9</sup>

25 Rescheske stated that prior to these events, he did not know that the Respondent's employees were required to be drug tested.

30 Rescheske acknowledged that he, in fact, was never administered a drug test and believes that no employee ever was; however, he insisted that he was told that he was to be tested.

#### 5. The alleged April 19, 2000 interrogation of Rescheske by Koga regarding his union activities and sympathies; the promises of benefits to cease union activities

35 Rescheske stated that in a conversation a day or two before the election, Koga told him if he (Rescheske) got off "my union kick," that he would make a heck of a team player and a lead carpenter for CSI.

40 Then during the election,<sup>10</sup> Rescheske said that Koga asked him "what I had voted" and, according to Rescheske, he said he told him it was just his business and nobody else's. (Tr. 43.) Then, on the morning after the election, Rescheske said that Koga asked him if he were going to stick around. Rescheske said he told Koga that was between Schmidt and himself and no one else. (Tr. 43.) Also, Rescheske stated that in the same conversation, Koga said that he was looking for a lead carpenter and that if he (Rescheske) stayed around, he would make a  
45 good lead carpenter and there would be a good benefit package and wage increases.

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50 <sup>9</sup> I note that the complaint alleges that Koga threatened employees with drug testing because of their union activities and sympathies. The statement as alleged by Rescheske is, of course, somewhat different but, in my view, is consonant with the charge and does not pose a fatal variance with the complaint allegations.

<sup>10</sup> The NLRB elections were held between April 15 and April 30, 2004, by mail ballot.

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## Applicable Legal Principles

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*Freightways Co.*, 124 NLRB 146, 147 (1959). Thus, it is violative of the Act for the employer or its supervisors to engage in conduct, including speech, which is specifically intended to interfere, restrain, and coerce employees in exercise of their rights under the Act. *Williamhouse of California, Inc.*, 317 NLRB 699, 713 (1995).

The Board has established that not all employer interrogations of employees are per se illegal. The Board has held that the test of illegality of interrogation is whether, under all the circumstances, it reasonably tends to interfere with, restrain, or coerce employees in the exercise of their rights. *Rossmore House*, 269 NLRB 1176 (1984).

In *Bourne v. NLRB* 332 F.2d 47 (2nd Cir. 1964), the Board enumerated certain factors to be considered as part of the circumstances surrounding a claim of unlawful interrogation. The *Bourne* factors list (1) the history of the employer's attitude toward its employees; (2) the nature of information sought; (3) the rank of the questioner in the employer's hierarchy; (4) the place and manner of the conversation; (5) the truthfulness of the employee's reply; (6) whether the employer had a valid purpose in obtaining the information sought about the union; (7) whether a valid purpose, if existent, was communicated to the employee; and (8) whether the employer assured the employee that no reprisals should be forthcoming should he or she support the union. *Id.* at 48.

Threats of job loss or the closure of a work site in the event of unionization may pose violations of the Act. *NLRB v. Gissel Packing Co.*, 89 S.Ct. 1918, 1942 (1969). Section 8(a)(1) is violated if under the totality of the circumstances, the employees could reasonably conclude that the employer is threatening economic reprisals if they support the union. *KSM Industries, Inc.*, 336 NLRB No. 7 (2001).

Promises of benefits to employees in exchange for an end to their involvement in union activity may be violative of the Act when proven that the promise was made with the intention of influencing the outcome of a union election; the promise of benefits may be viewed as coercive conduct. *T & J Trucking Co.*, 316 NLRB No. 771 (1995).

The Board has also ruled that Section 8(a)(1) has been violated when in the context of interrogating an employee, a supervisor couples a request to identify problems or grievances with the company with promises that the company could make things better. *Capital EMI Music*, 311 NLRB 997, 1007 (1993). The promise, express or implied, to remedy grievances constitutes the essence of the violation, because it creates in the mind of employees the anticipation of improved conditions on the part of the company even if accompanied by no commitment to the specific corrective action.

The Board has also held that threatening employees with the prospect of a drug test in an effort to dissuade employees from supporting a union poses a possible violation of Section 8(a)(1). Although it is certainly permissible for an employer to propose a drug testing policy during bargaining with a union, it is no more permissible for an employer to threaten to make such a proposal in order to dissuade employees from supporting a union than it is to threaten to reduce wages or otherwise act in retaliation against employees because of their union activities. *Aquatech*, 297 NLRB 711 (1990).

Finally, it is important to note, however, that Section 8(c) of the Act provides that "the expressing of any views, argument, or opinion, or the dissemination thereof, whether in written printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under any of the provisions of this Act, if such expression contains no threat of reprisal or force or promise of benefit." 29 U.S.C. §158(c). Therefore, an employer is free to communicate to its

employees a statement of opinion about the union as well as to predict the precise effect that unionization may have on the company so long as it does not contain a “threat of reprisal or force or promise of benefit.” Therefore, an employer may express general views about unions or specific views about a particular union to employees but only if it makes no threats of reprisal for their union activity.

The Board has noted that Congress added Section 8(c) to the Act in 1947 as part of the Taft-Hartley Act, because it is believed that the Board has made it “excessively difficult for employers to engage in any form of noncoercive communications with employees regarding the merits of unionization.” *Alleghany Ludicum v. NLRB*, 104 F.3d 1354, 1361 (D.C. Cir. 1997).

### Discussion and Conclusions

First, I would find and conclude that based on the foregoing authorities, that the statements attributed to Schmidt and Koga by Rescheske, if uttered, would clearly pose violations of the Act as charged.

Notably, among the salient circumstances under which the statements were allegedly made, I note that there was an ongoing union organizing campaign and ultimately an election being conducted among a relatively small work force; an active opposition to the union cause by the Company’s top man who sent letters out to voting employees expressing his strong opposition to the Union; the offending statements were allegedly made by the top man in the Company, and also the pertinent jobsite supervisor; and the Union’s organizational effort emanated in part from employee concern about benefits.<sup>12</sup>

Taken as a whole, if Schmidt and Koga made the statements attributed to them, I would find and conclude that the Act was violated as charged.

We turn to the threshold issue—credibility.

I would find and conclude that regarding the allegations on April 2 involving Schmidt and Rescheske, the General Counsel has not met its burden to show by a preponderance of the evidence that Schmidt made the statements attributed to him. It is important to note both men testified under oath, and I saw nothing in their respective demeanors or testimony that would suggest one man was more credible than the other. Notably, Schmidt was candid in acknowledging his strong opposition to the Union about which he made no secret. So, in some sense, he could be said to be motivated by self-interest in his denials. However, as much could be said of Rescheske who admitted that he was at least initially upset about being demoted from his lead carpenter position by Schmidt in favor of Ziegelbauer and also admitted that while not upset over his termination, he did not believe it was justified. In my view, in this case, one man’s possible self-interest is the equal to the other’s possible bilious resentment of the treatment he received at the other’s hands. I cannot, under these circumstances, credit Rescheske’s testimony over Schmidt’s. I note in passing that I did not find that Rescheske was incredible; he was simply not more persuasive in my estimate than Schmidt. I would recommend dismissal of this aspect of the complaint.

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<sup>12</sup> Mert Summers, a business representative-organizer for the Union, credibly testified that benefits were a major if not the sole concern expressed by the Company’s employees during the organizing effort.



Turning to the Koga allegations, here we have a much different situation. The Respondent essentially argues that Rescheske's lack of credibility, in its view, regarding the Schmidt encounters should spill over and contaminate any asserted credibility for his testimony against Koga.

As I have noted, I did not find Rescheske to be a totally incredible witness. He was not, I grant, a model of testimonial rectitude. As noted by the Respondent, a good case could be made that he was not altogether consistent and could be motivated by his demotion, discipline, and discharge to fabricate a case against the Respondent and was not very precise in terms of the dates and locations of his encounters with Koga. And his testimony was not corroborated in any meaningful way. However, given all of the above, he testified under oath about the incidents in question and was subject to cross-examination. In the end, his testimony stood alone, but unrebutted by Koga or Schmidt. Accordingly, I would find and conclude that Koga made the statements attributed to him, and that the Respondent violated the Act as charged by dint of Koga's remarks to Rescheske as charged. I will issue an appropriate recommended Order setting out my findings.

#### Conclusions of Law

1. The Respondent, Contracting Specialists Inc., Neenah, Wisconsin, is an employer engaged in commerce within the meaning of Section 2(2), (6), and (7) of the Act.

2. Northern Wisconsin Regional Council of Carpenters is a labor organization within the meaning of Section 2(5) of the Act.

3. The Respondent violated Section 8(a)(1) of the Act by interrogating employees about their union activities and sympathies; threatening employees with loss of their jobs; threatening to test employees for drugs because of the union election or vote; and promising benefits to employees to induce them to cease their union activities.

4. The aforesaid unfair labor practices affect commerce within the meaning of Section 2(5) of the Act.

5. The Respondent has not violated the Act in any other respect.

#### The Remedy

Having found that the Respondent has engaged in unfair labor practices, I shall recommend that it cease and desist from engaging in such conduct and that it take certain affirmative action designed to effectuate the policies of the Act.

On these findings of fact and conclusions of law and on the entire record, I issue the following recommended<sup>13</sup>

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<sup>13</sup> If no exceptions are filed as provided by Sec. 102.46 of the Board's Rules and Regulations, the findings, conclusions, and recommended Order shall, as provided in Sec. 102.48 of the Rules, be adopted by the Board and all objections to them shall be deemed waived for all purposes.

## ORDER

The Respondent, Contracting Specialists, Inc., Neenah, Wisconsin, its officers, agents, successors, and assigns, shall

1. Cease and desist from

(a) Interrogating its employees concerning their union activities and sympathies.

(b) Threatening its employees with loss of their jobs because of their union activities and sympathies;

(c) Threatening to test its employees for drugs because of the union election or their vote.

(d) Promising benefits to employees to induce them to cease their union activities.

(e) In any like or related manner interfering with, restraining, or coercing employees in the exercise of the rights guaranteed them by Section 7 of the Act.

2. Take the following action necessary to effectuate the policies of the Act.

(a) Within 14 days after service by the Region, post at its facility in Neenah, Wisconsin, copies of the attached notice marked "Appendix."<sup>14</sup> Copies of the notice, on forms provided by the Regional Director for Region 30, after being signed by the Respondent's authorized representative, shall be posted by the Respondent and maintained for 60 consecutive days in conspicuous places including all places where notices to employees are customarily posted. Reasonable steps shall be taken by the Respondent to ensure that the notices are not altered, defaced, or covered by any other material. In the event that, during the pendency of these proceedings, the Respondent has gone out of business or closed the facility involved in these proceedings, the Respondent shall duplicate and mail, at its own expense, a copy of the notice to all current employees and former employees employed by the Respondent at any time since April 2, 2004.

(b) Within 21 days after service by the Region, file with the Regional Director a sworn certification of a responsible official on a form provided by the Region attesting to the steps that the Respondent has taken to comply.

IT IS FURTHER ORDERED that the complaint is dismissed insofar as it alleges violations of the Act not specifically found.

Dated, Washington, D.C. June 24, 2005

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Earl E. Shamwell, Jr.  
Administrative Law Judge

<sup>14</sup> If this Order is enforced by a judgment of a United States court of appeals, the words in the notice reading "Posted by Order of the National Labor Relations Board" shall read "Posted Pursuant to a Judgment of the United States Court of Appeals Enforcing an Order of the National Labor Relations Board."

APPENDIX

NOTICE TO EMPLOYEES

Posted by Order of the  
National Labor Relations Board  
An Agency of the United States Government

The National Labor Relations Board has found that we violated Federal labor law and has ordered us to post and obey this Notice.

FEDERAL LAW GIVES YOU THE RIGHT TO

Form, join, or assist a union  
Choose representatives to bargain on your behalf with your employer  
Act together with other employees for your benefit and protection  
Choose not to engage in any of these protected activities

WE WILL NOT interrogate employees concerning their union activities and sympathies.

WE WILL NOT threaten employees with loss of their jobs because of their union activities and sympathies;

WE WILL NOT threat to test employees for drugs because of the union election or vote.

WE WILL NOT promise benefits to employees to induce them to cease their union activities.

WE WILL NOT in any like or related manner interfere with, restrain, or coerce employees in the exercise of the rights guaranteed them by Section 7 of the Act.

\_\_\_\_\_  
CONTRACTING SPECIALISTS, INC.

(Employer)

Dated \_\_\_\_\_ By \_\_\_\_\_  
(Representative) (Title)

The National Labor Relations Board is an independent Federal agency created in 1935 to enforce the National Labor Relations Act. It conducts secret-ballot elections to determine whether employees want union representation and it investigates and remedies unfair labor practices by employers and unions. To find out more about your rights under the Act and how to file a charge or election petition, you may speak confidentially to any agent with the Board's Regional Office set forth below. You may also obtain information from the Board's website: [www.nlrb.gov](http://www.nlrb.gov).

310 West Wisconsin Avenue, Federal Plaza, Suite 700

Milwaukee, Wisconsin 53203-2211

Hours: 8 a.m. to 4:30 p.m.

414-297-3861.

**THIS IS AN OFFICIAL NOTICE AND MUST NOT BE DEFACED BY ANYONE**

THIS NOTICE MUST REMAIN POSTED FOR 60 CONSECUTIVE DAYS FROM THE DATE OF POSTING AND MUST NOT BE ALTERED, DEFACED, OR COVERED BY ANY OTHER MATERIAL. ANY QUESTIONS CONCERNING THIS NOTICE OR COMPLIANCE WITH ITS PROVISIONS MAY BE DIRECTED TO THE ABOVE REGIONAL OFFICE'S COMPLIANCE OFFICER, 414-297-1819.